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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4240
INFO RUEHAC/AMEMBASSY ASUNCION 3709
RUEHBO/AMEMBASSY BOGOTA 2245
RUEHBU/AMEMBASSY BUENOS AIRES 1224
RUEHBR/AMEMBASSY BRASILIA 0621
RUEHCV/AMEMBASSY CARACAS 1905
RUEHPE/AMEMBASSY LIMA 5894
RUEHMN/AMEMBASSY MONTEVIDEO 4176
RUEHQT/AMEMBASSY QUITO 2061
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000013

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

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SUBJECT: CHILE MEDIA REPORT - JANUARY 6

Leading Stories

1. Dailies highlighted the December inflation rate of minus 1.2%, and the total 7.1% attained in Chile during 2008; the Paris-Dakar automobile race that this year is taking place in Argentina and Chile; and the Israeli military attacks in Gaza.

U.S.-Related News

2. Wal-Mart's instructions to the Chilean D&S supermarket chain to stop selling Cuban products have led its largest competitor - Jumbo - to launch an aggressive publicity campaign. Jumbo pointedly noted that they will carry "products from around the world without restrictions" (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 1/7). The producers of Havana Club rum - one of the products affected by the D&S ban - criticized the restrictions imposed by the U.S. and announced plans to expand in Chile. (Diario Financiero, business and financial, circ. 30,000, 1/7).

Local

3. The inflation rate for December showed minus 1.2%, bringing the yearly total rate for 2008 to 7.1%. (All dailies, 1/7)

4. CEP (Center for Public Studies) released its latest opinion poll, which revealed that President Michelle Bachelet increased her approval rate to 44%, equaling the figure attained in June 2006. She also heads the list of political figures with the highest positive ratings (55%), followed by opposition presidential candidate Sebastian Piera (48%), government coalition presidential candidate Eduardo Frei (45%), and OAS Secretary General Jose Miguel Insulza (44%) (All dailies, 1/7)

5. Adimark GfK polling company found that President Bachelet has a 51.1% approval rating, her highest in two years. CERC data showed that presidential candidate Eduardo Frei experienced a hike among "politicians with the greatest future." Frei jumped from a 12% approval rating in September to 27% in December 2008. Sebastian Piera continues to lead the rankings with a 52% approval rating. (La Segunda, conservative, afternoon daily, circ. 33,000, 1/6).

6. The Senate approved introducing a constitutional reform to the Chilean electoral system that would allow all qualified citizens to register automatically and then vote voluntarily. As of now, all citizens who turn age 18 have a choice whether to register. However,

once registered, all voters are mandated by law to cast their votes, and face being fined if they do otherwise on Election Day. The text will be submitted to the Lower Chamber this month. The initiative requires approval by the end of April 2009 in order to allow the Electoral Service to complete the necessary provisions for the upcoming presidential and parliamentary elections in December. By introducing this reform, an estimated 3,800,000 people could participate in the next electoral process (La Tercera 1/7).

Chile and Other Countries

17. Juan Carlos Latorre, president of the Christian Democratic Party (DC), clarified that members of his party would participate in the official delegation that is to accompany President Bachelet to Cuba only if they are authorized to meet with the dissidents. The DC is still hopeful that the Government of Chile will make the necessary arrangements to comply with this request. Nevertheless, Foreign Minister Alejandro Foxley has answered that this not possible. The opposition stated that if they receive an invitation to join the delegation, they will decline. (El Mercurio, 1/7). The DC launched an offensive against President Bachelet's trip to Cuba, which is complicating the position of Foreign Minister Foxley - himself a Christian Democrat. Yesterday, DC Deputy Renan Fuentealba presented Congress with a proposal for an agreement to criticize human rights violations in Cuba. A vote on the text will be held today. (La Tercera, 1/7).

SIMONS